

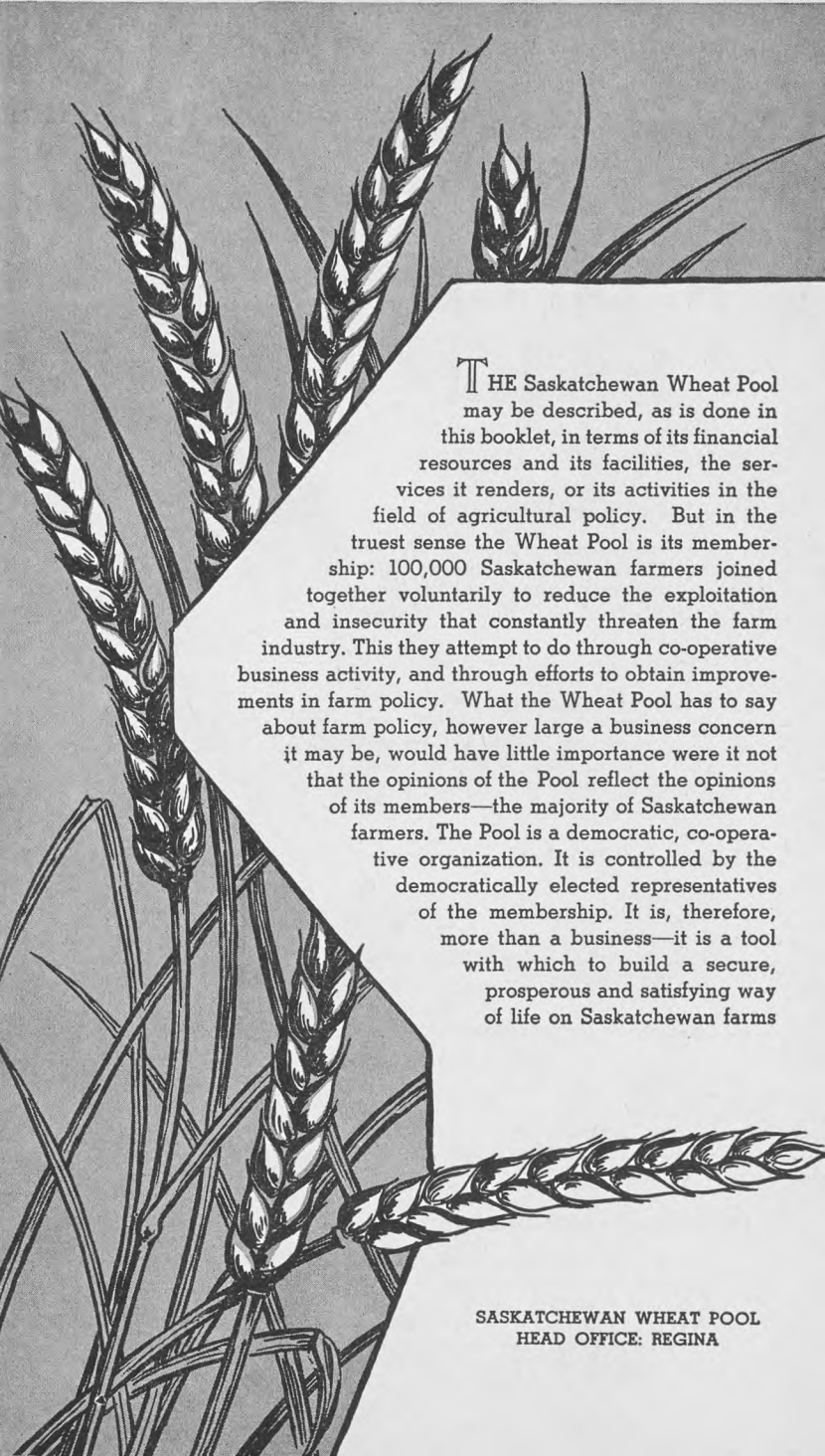


The
**SASKATCHEWAN
WHEAT
POOL**

AND
ITS
ACCOMPLISHMENTS

1955



A detailed black and white line drawing of several wheat stalks. The stalks are shown from different angles, some standing upright and others leaning. The heads of the wheat are full and detailed, showing individual grains. The background is a solid light gray, and the entire illustration is rendered in a classic, hand-drawn style.

THE Saskatchewan Wheat Pool may be described, as is done in this booklet, in terms of its financial resources and its facilities, the services it renders, or its activities in the field of agricultural policy. But in the truest sense the Wheat Pool is its membership: 100,000 Saskatchewan farmers joined together voluntarily to reduce the exploitation and insecurity that constantly threaten the farm industry. This they attempt to do through co-operative business activity, and through efforts to obtain improvements in farm policy. What the Wheat Pool has to say about farm policy, however large a business concern it may be, would have little importance were it not that the opinions of the Pool reflect the opinions of its members—the majority of Saskatchewan farmers. The Pool is a democratic, co-operative organization. It is controlled by the democratically elected representatives of the membership. It is, therefore, more than a business—it is a tool with which to build a secure, prosperous and satisfying way of life on Saskatchewan farms

SASKATCHEWAN WHEAT POOL
HEAD OFFICE: REGINA

The WHEAT POOL Includes:

THESE PHYSICAL ASSETS:

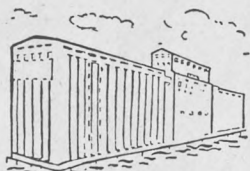
(1) 1,134 Country Elevators

Pool elevators and annexes provide 75,000,000 bushels of storage capacity, for co-operative grain handling service in all parts of the province.



(2) Three Lakehead Terminals

Additional savings are provided for Pool members through fast, efficient terminal service at Fort William and Port Arthur. Pool Terminals have 20,500,000 bushels of storage capacity.



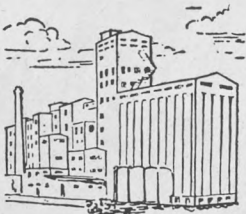
(3) Livestock Marketing Service

Top livestock prices are obtained at Saskatchewan Pool markets operated in Regina, Saskatoon, Moose Jaw, Swift Current, Yorkton, Prince Albert and North Battleford.



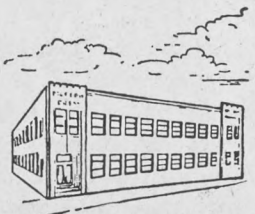
(4) Industrial Development

This includes a 2,000-barrel-per-day flour mill, and a vegetable oil plant in Saskatoon. Produces "Pool" and "Co-op" flours, linseed and rapeseed oil, and oil cake meal for livestock feed.



(5) Printing and Publishing

Located at Saskatoon, this division includes the Modern Press, a first-class job printing plant; and The Western Producer, Western Canada's finest farm weekly newspaper.



Organization

The Saskatchewan Wheat Pool is owned and controlled by its farmer-members. Control is exercised through delegates elected by the membership. For administration purposes the province is divided into 16 districts, and each district is sub-divided into 10 or 11 sub-districts. The members in each sub-district annually elect a delegate. It is the duty of delegates collectively to lay down the policies of the organization at annual or special meetings of delegates. It is the duty of each delegate to carry out an information and organization program in his sub-district, and to see that local committees are organized at each shipping point.

After the election of delegates each year, the 10 or 11 delegates in each Pool district elect one of their number as director for the district.

At the first meeting following their election, the board of directors elect from their number a president, first and second vice-presidents, and two additional executive members.

The sixteen directors meet during one week each month to carry out policies laid down by the delegates.

An important democratic feature of this whole election process is that every policy-making official of the Wheat Pool must stand for election annually.

Wheat Pool committees at the various shipping points are the link between the central office and the shareholders. At August, 1954, there were 1115 committees in the province. It is the duty of the committees to organize the membership for the work of building and maintaining the strength of the organization locally.

OPERATION OF THE SASKATCHEWAN WHEAT POOL

The assets of the Wheat Pool include country elevators, terminals, a flour mill, a vegetable oil extraction plant, livestock yards, printing and publishing plant, office buildings and other property of various kinds. The entire plant was built and purchased at a cost of more than \$51,000,000.

For operating purposes the Saskatchewan Wheat Pool is divided into five general divisions.

Country Elevator Division

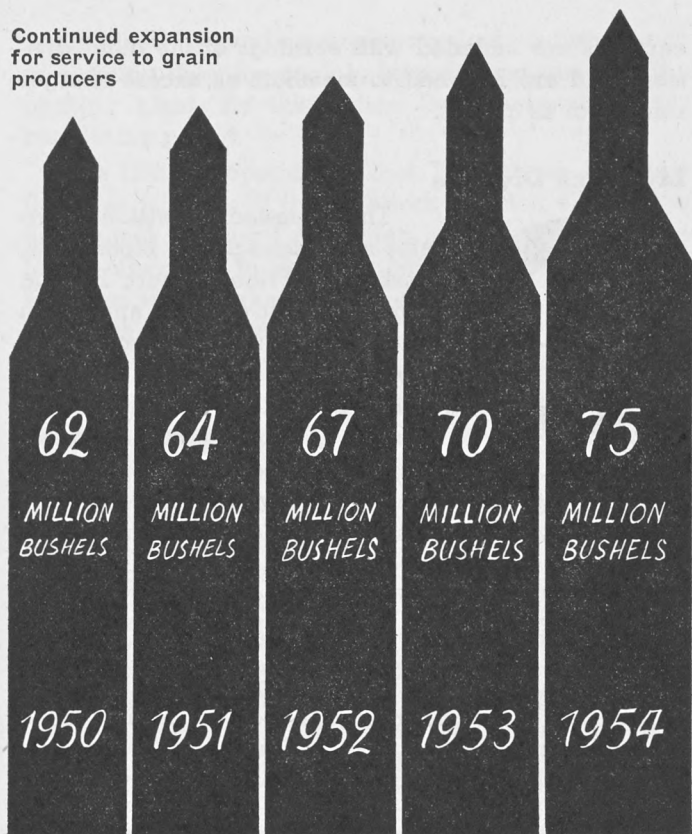


This division consists of 1134 country elevators with rated storage capacity of 75,000,000 bushels. During the past thirty years, up to July 31st, 1954, handlings totalled nearly 3 billion bushels of grain. During the past ten years the percentage of all Saskatchewan grain deliveries handled by the Pool has ranged from 44.4 to 51.4 per cent. The figure 51.4 per cent was achieved in 1949-50 after four consecutive years in which Wheat Pool handlings had exceeded 50 per cent of the grain marketed in the province. The record handling of 1949-50 was an indication of the ever-growing support of co-operative grain marketing and the policies of stability advocated by the Pools.

The lower figure of 44.4 per cent occurred in 1953-54, during which elevator congestion and maldistribution of box cars made it virtually impossible for farmers in many districts to patronize the elevator of their choice.

Operation of the Country elevator division is conducted on the basis of service at cost, with all savings being returned to members according to their patronage. One of the guiding principles is equal and fair treatment to all. Every Pool agent has been instructed to assess weight, grade, shrinkage and dockage accurately at all times and under all conditions.

Continued expansion
for service to grain
producers



Total Capacity—Pool Country Elevator System

Terminal Division

The operation of terminal elevators is a vital part of the business of providing a co-operative grain handling service. The organization operates the following three terminals at the head of the lakes:

	Capacity
Number Four, Port Arthur.....	8,468,000 bushels
Number Seven, Port Arthur.....	9,000,000 bushels
Number Five, Fort William.....	3,000,000 bushels
Total Capacity.....	20,468,000 bushels

The terminal division is operated under the same management as the Country Elevator Division. Terminal

earnings are included with earnings of the other divisions and are returned to members as excess charges refunds or as credits.

Livestock Division



The Livestock Division operates sales agencies at Moose Jaw, Saskatoon, Prince Albert, Regina, Yorkton, Swift Current and North Battleford. The Division owns the Livestock yards at the last four points named. In addition, Canadian Livestock Co-operative (Western) Limited, which is owned jointly by the Alberta, Manitoba and Saskatchewan livestock co-operatives, acts as the Pool's selling agency in St. Boniface.

Saskatchewan Co-operative Livestock Producers Limited was organized as a separate co-operative in 1927. It was amalgamated with the Wheat Pool in 1944, and now operates as a Division of the organization. One of the early major achievements of the Division was the establishment of fully competitive markets at three points in areas of the province not previously served. These were Swift Current, Yorkton and North Battleford. It was felt that the establishment of markets at these points introduced buying competition which brought local livestock prices up to the levels of other areas in the province where markets were operating. This benefitted not only Pool members but all producers in the areas surrounding the new markets.

The volume of livestock delivered and sold through co-operative agencies operating at the stockyards influences the strength of market prices. Better prices can be obtained for the producer if buyers and packing plants are required to come to the stockyards and bid competitively for their supplies. This competition factor at the stockyards, where the general price level is established, is weakened and

undermined by producers who overlook its importance in allowing their livestock to be delivered direct to the packing plant. By this action they undermine their bargaining power.

The Division operates at cost. The farmer who uses the sales facilities of the Livestock Division obtains the full benefit of expert marketing service which has no object other than to serve him efficiently. Pool livestock salesmen work in the interests of the producer, and are prepared at all times to give him market information and advice regarding livestock values.

As a producers' organization, the Livestock Division has provided valuable service on many occasions in speaking for producers and serving their interests in matters of national policy.

A good example of this was the prompt action taken when foot and mouth disease threatened to disrupt the entire livestock industry. The Pool went to work immediately to see that floor prices were established quickly and maintained at adequate levels. It was not enough to ensure that a floor price policy was established, it was also necessary to see that it was made effective. This job was done by Wheat Pool livestock representatives at the various markets during the foot and mouth emergency.

During the year ended July 31st, 1954, the Livestock Division handled 512,000 head of cattle and calves, 390,000 hogs, and 47,600 sheep and lambs. This represented 39.6 percent of the cattle and calves, 31.6 percent of the hogs, and 32.7 per cent of the sheep and lambs sold in the province. Through these handlings the Pool not only ensured top prices for the producers delivering to it, but also provided a competition factor which maintained prices at the best possible levels throughout the industry.

Industrial Division

In the field of industrial processing of farm products, the Saskatchewan Wheat Pool now operates two plants



at Saskatoon—a 2,000 barrel per day flour mill and a vegetable oil extraction plant capable of crushing 1,950 bushels of flax per day.

The actual construction of these plants was preceded by a considerable period of intensive investigation into the whole question of industrial use of farm products. On many occasions throughout the history of the Pool organization, the question of building a flour mill had been raised, and during 1928 and 1929 a full-scale investigation was carried out. All consideration of the idea was deferred during the depression years, but it was re-introduced toward the end of the Second World War. Investigations at that time included, in addition to flour and vegetable oil extraction, such things as the manufacture from wheat of power alcohol (wheat proved far too expensive for this), starch, sugar, and glycol.

As a means of extending the co-operative principle in the handling and processing of Saskatchewan farm products, the construction of a flour mill and vegetable oil plant was approved by the Wheat Pool delegates in 1944. Two major considerations which influenced the type of industrial plants to be established and will undoubtedly influence any future decision of this kind, were:

1. That the raw material used by them should be produced on Saskatchewan farms.
2. That the products of those industries should be used largely on Saskatchewan farms or in farm homes.

Vegetable Oil Plant

This plant began operation in January, 1947. During the first two years it operated exclusively on flax seed. Since 1949, however, the crushing of rape seed has formed an important part of the plant's operations.

The plant is equipped with three large expellers capable of crushing 1,950 bushels of flax daily. It also has refinery facilities equipping it to process raw oil into any one of the major types of refined oil used by industry.

Flour Mill

This plant began operation in March, 1949. In the initial stages production capacity amounted to 1,000 barrels (196 lbs. per barrel) of flour daily. In 1952, additional machinery was installed increasing the capacity to 2,000 barrels per day.

The Wheat Pool mill is one of the most modern in Canada. Every new scientific milling development was included to ensure high-quality, efficient production. Reflecting the benefits of these modern facilities, flour from the Wheat Pool mill has already made a name for itself in quality and dependability, not only in the domestic market but in export markets throughout the world.

In addition to its milling equipment, the mill has a feed plant and storage capacity for one-half million bushels of grain.

Printing and Publishing Division

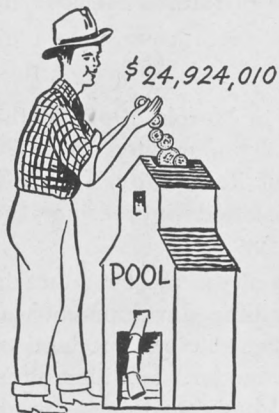


This division publishes The Western Producer, a weekly farm newspaper with a circulation of approximately 160,000. The Western Producer is designed to meet the reading interests of farm people, with many interesting features for all members of the family.

In addition, the commercial printing department prints several other newspapers and does a wide range of job-printing for customers throughout western Canada.

The printing and publishing division operates one of the most modern and up-to-date plants in the west. It is equipped with machinery to do the most complex printing work.

**HERE IS
YOUR WHEAT POOL
RECORD**

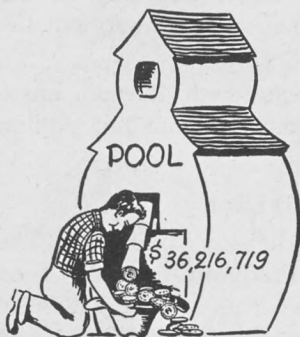


IN THE PAST THIRTY YEARS
WHEAT POOL MEMBERS HAVE
INVESTED
A TOTAL OF

\$ 24,924,010

IN THEIR ORGANIZATION

BUT...



FROM EARNINGS DURING THE
SAME PERIOD THEY HAVE

RECEIVED BACK

\$ 36,216,719

IN **CASH**

YET...



TODAY THEY
OWN ASSETS
WHICH HAVE BEEN
PURCHASED BY THE POOL
AT A COST OF

\$ 51,042,712

FINANCIAL POSITION AND EARNINGS

Investment of Members

At July 31st, 1954, the investment of Pool members in the organization amounted to \$24,924,010. Of this, \$141,227 represents share capital obtained from the \$1.00 shares issued to each member joining the organization.

The remainder, \$24,782,783, is in the form of Elevator Deductions and Commercial Reserves (\$24,733,714), and livestock credits (\$49,069).

Aside from the relatively small share investment, the original capital of the organization was obtained in the 1920's through deductions of 2 cents per bushel on wheat delivered by members under contract, and a one per cent levy on grain sold. In this way, \$18,755,911 of capital was accumulated.

Expansion of the organization in recent years created a need for more capital. Since 1950 an additional \$5,977,803 has been built up by retaining a portion of the excess charges refund each year as a loan, and crediting this to members on the books of the company on the basis of patronage. In addition, livestock excess charges of \$49,180 have been taken into capital.

Repayment of Original Investment

Present policy of the organization provides that when a member retires from farming or reaches a certain age, or when an estate is involved, the investment of the member is repaid. Part of the excess charges refund is used for this purpose. The equity is then transferred on a patronage basis to members still farming, thus keeping the investment of the organization in the hands of active members. Since the inception of the Wheat Pool, up to July 31st, 1954, a total of \$12, 878,433 has been paid out covering the purchase of Commercial Reserves and Elevator Deductions which were transferred in this way.

Distribution of Earnings 1924 to 1954

A total of \$61,888,280 in net earnings has been distributed since the organization was formed. Of this \$36,216,719 has been paid out in cash, \$6,026,983 has been retained as a loan and credited to members, and \$19,644,578 was used to pay off the 1929-30 Pool overpayment liability.

The following table gives a breakdown of the amounts paid and credited to members, and payments on their behalf to July 31st, 1954.

Cash patronage dividend.....	\$18,530,404
Used for purchase of deductions.....	12,878,433
Interest paid on deductions.....	4,501,425
Farm storage paid to members.....	306,457
<hr/>	
Total payments in cash.....	\$36,216,719
<hr/>	
Retained as a loan and credited to members\$	6,026,983
Payments re 1929-30 Pool overpayment.....	19,644,578
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Total distribution.....	\$61,888,280
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Note: The above table does not include the 1953-54 excess charges refund which will add approximately \$3,602,485 to the total distributed earnings.

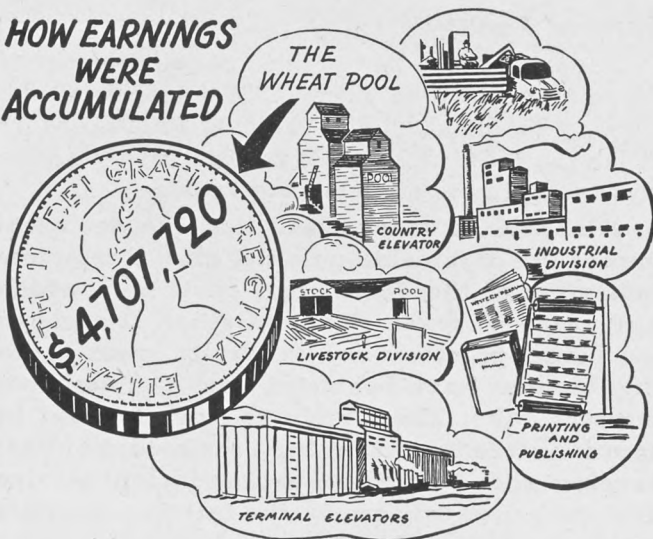
Distribution of Earnings 1953-54

After providing for income tax and the transfer of \$620,235 to the reserve account, a surplus of \$3,602,485 remained from 1953-54 earnings, for distribution to members. (Note—these figures may be changed slightly when final calculations are completed.) At the annual meeting in November, 1954, delegates voted a patronage dividend of 2 7/16 cents per bushel on grain delivered during the crop year. Of this amount 1 cent per bushel will be paid in cash, 1 1/4 cents will be used to revolve deductions, and 3/16 cent will be retained by the com-

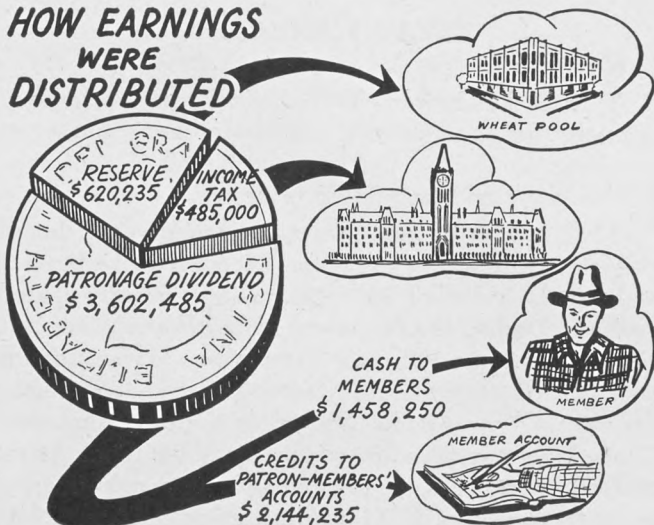
THE STORY OF EARNINGS

1953-54

HOW EARNINGS WERE ACCUMULATED



HOW EARNINGS WERE DISTRIBUTED



pany as loan capital and will be set up to the credit of member-patrons. Also included is the sum of \$48,000 retained by way of a loan, which will be credited to members who sold livestock through the livestock division.

Growers' Equity

It is worth noting that on the books of the company the equity of farmer members in the organization, after allowing for all liabilities, is shown at \$30,169,434, as at July 31, 1954, or about 20 per cent more than the investment of members in the organization.

It should be emphasized that the net earnings of the organization do not give a complete indication of the dollars and cents gain which has resulted from Pool activities. Improved marketing practices and generally lower handling charges have benefited Pool and non-Pool farmers alike. These savings, invisible but in sum far more important than the record of Pool earnings, can be credited to the efficient service and continued concern for the farmers' interests which the Wheat Pool has supplied.

WHEAT MARKETING

Background

The Saskatchewan Wheat Pool was organized primarily, not as an elevator company, but as a marketing organization. During the thirty years of its existence, this has remained its guiding principle.

After having experienced government wheat board marketing during the First World War, western farmers realized the value of stable prices and orderly selling methods. Despite their protests, however, the board was abolished following the war. Determined to re-introduce orderly marketing one way or another, farmers organized the prairie Wheat Pools. The Pools operated through a Central Selling Agency which marketed Pool wheat direct to customers, by-passing the speculative market as far as possible. Until depression brought complete

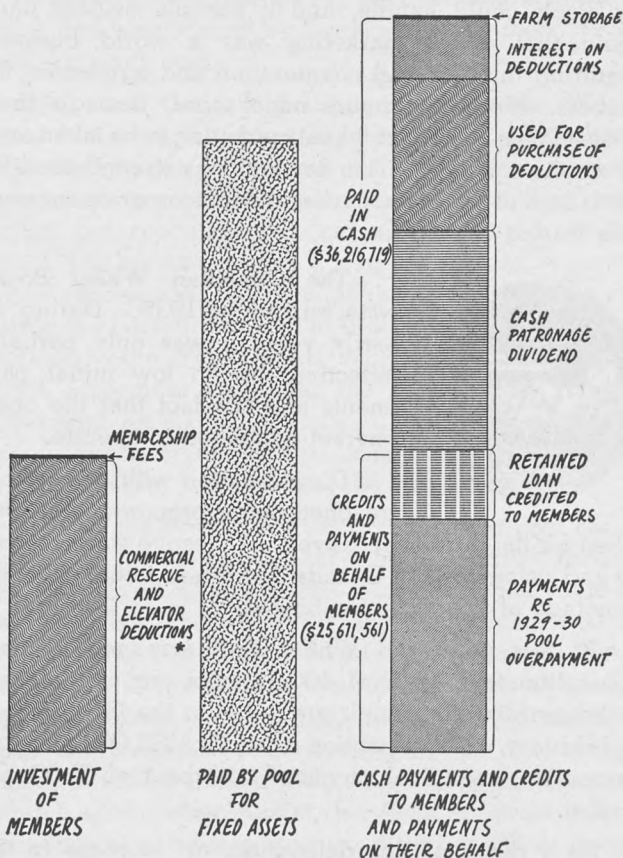
THE FINANCIAL RECORD

1924 - 1954

\$24,924,010

\$54,042,712

\$61,888,280



*Includes \$6,026,983 retained as a loan during 1950-51, 1951-52 and 1952-53 from excess charges refunds allocated to members.

Note: The above record does not include the excess charges refund of approximately \$3,602,485 from 1953-54 earnings.

disorganization and demoralization to world wheat trade in 1929-30, the Central Selling Agency was highly successful. Prices of Pool wheat exceeded those paid by other companies.

Disaster overtook the world wheat market along with the economic collapse of the thirties. Financial problems during this unprecedented emergency were more than the Pools could handle, and it became evident once again that wheat marketing was a world business requiring international co-operation and agreement for success. Western farmers once more, through their Wheat Pools, called for wheat marketing to be taken over by a national board. This demand was strengthened by the failure of the open market system to operate successfully during the thirties.



The Canadian Wheat Board was formed in 1935. During its early years it was only partially effective due to low initial payments and the fact that the open market continued to operate.

Dissatisfaction with this system reached major proportions in 1941 when for the third successive year, despite war prosperity and rising costs in Canada, the Board initial payment remained at 70 cents per bushel.

At this point the Wheat Pool arranged a mass delegation to Ottawa of 400 farmers and other Saskatchewan citizens, which presented to the Government in February, 1942, a petition signed by 185,000 persons, demanding an initial payment on wheat of \$1.00 per bushel.

As a result of this delegation, an increase in the initial payment to 90 cents per bushel was obtained. Even more important, however, was the demonstration that western farmers were prepared to take action when necessary, to obtain security and fair treatment in the sale of their products.

As a wartime price control measure the government announced on September 28, 1943, that it would take ownership of all stocks of wheat in Canada, except those on farms, and henceforth would be the sole buyer and seller of Canadian wheat. The initial Wheat Board payment was set at \$1.25 for No. 1 Northern.

This marked the elimination of the speculative system in marketing Canadian wheat, and fulfilled a demand which had been voiced by farmers through their Wheat Pools for many years.

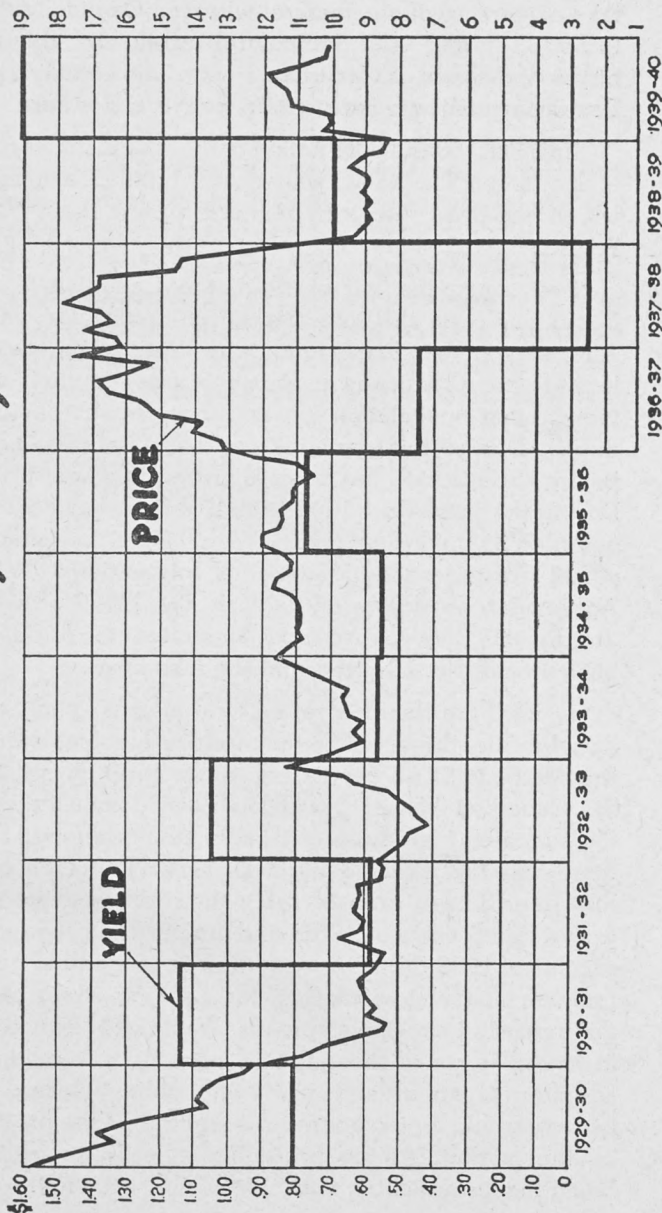
Ever since the fall of 1943, the Canadian Wheat Board has been the sole marketing agency for wheat. After eleven years experience with this system, western farmers are practically unanimous today in their conviction that speculation should never again be introduced. During this period a degree of stability never before experienced has been achieved in wheat prices. During the years from 1945 to 1949 a five-year Pool was operated by the Wheat Board. With the Anglo-Canadian wheat agreement and later the International Wheat Agreement as stabilizing factors, the price of wheat during this five-year period amounted to \$1.83 per bushel basis No. 1 Northern at the lake head.

In 1950 the Board reverted to a one-year pool basis, and for the three years that followed prices ranged from \$1.81 to \$1.85 per bushel. Since 1950 the value of the Canadian Wheat Board has been demonstrated in the successful handling of three major problems. First, there was the tremendous task of marketing the huge low-grade frozen crop of 1950; then followed the low-grade damp crop of 1951; and finally the near-record surplus of 1953-54. Here were situations made to order, under a speculative market, for slashing street prices and imposing excessive spreads. With the Wheat Board in control none of these things happened. Instead, the adoption of an orderly marketing policy cleared the two low-grade crops successfully without undue pressure on the market. At the present time good progress is being made in dealing with the surplus situation.

OPEN MARKET PRICES AND CROP YIELDS IN THE 1930'S

Where is the security in this picture?

AVERAGE MONTHLY PRICE
No. 1, H & W.



The final price for the 1953-54 crop year has not yet been determined. For reasons outlined more fully in the following section a decline in the final price must be anticipated. **Out of all the problems and complications which influenced the marketing of Canadian wheat during the past crop year, one fact stands out clearly. Despite difficulties and criticism the Canadian Wheat Board during 1953-54 maintained sound marketing policies, reflected by satisfactory marketings without indiscriminate price cuts. Wheat Pool members and farmers generally are convinced that the eventual settlement for wheat sold during the 1953-54 crop year will far exceed the prices which would have resulted under the open, speculative market.**

MARKETINGS OF GRAIN—WESTERN CANADA

Year	Wheat (bushels)	Oats (bushels)	Barley (bushels)
1944-45.....	352,396,905	136,192,616	76,626,407
1945-46.....	235,432,183	106,397,119	67,271,699
1946-47.....	335,158,698	99,856,318	67,552,860
1947-48.....	246,596,512	72,980,099	65,570,088
1948-49.....	290,836,013	85,924,428	70,251,803
1949-50.....	320,046,300	80,447,561	53,326,320
1950-51.....	366,224,857	102,687,859	83,414,378
1951-52.....	455,795,185	133,608,151	130,336,472
1952-53.....	533,015,077	119,403,000	164,657,000
1953-54.....	389,670,510	87,599,000	98,428,000
10-year Average....	352,517,224	102,509,615	87,743,503

CANADIAN WHEAT BOARD PAYMENTS

	Initial	Adjustments	Final	Total	
Wheat (No. 1 Northern Basis Lakehead)					
5 Year Pool	1944-45.....	\$1.25	—	.187	\$1.437
	1945-46.....	1.25	.50	.083	1.833
	1946-47.....	1.35	.40	.083	1.833
	1947-48.....	1.35	.40	.083	1.833
	1948-49.....	1.55	.20	.083	1.833
	1949-50.....	1.75	—	.083	1.833
	1950-51.....	1.40	.20	.255	1.855
	1951-52.....	1.40	.20	.233	1.833
	1952-53.....	1.40	.32	.098	1.818
	1953-54.....	1.40	.10	?	?

Oats (2 C.W. Basis Lakehead)

1949-50.....	.65	—	.191	.841
1950-51.....	.65	.10	.098	.848
1951-52.....	.65	—	.188	.838
1952-53.....	.65	—	.090	.740
1953-54.....	.65	—	.055	.705

Barley (1 Feed Basis Lakehead)

1949-50.....	.87	—	.453	1.323
1950-51.....	.87	.20	.163	1.233
1951-52.....	.87	.20	.142	1.212
1952-53.....	.87	.15	.108	1.127
1953-54.....	.87	—	.079	.949

Present Wheat Position



During the 1953-54 crop year, world stocks of wheat rose to record levels, reflecting the result of successive large crops in most of the wheat growing countries. Canada produced three huge wheat crops in the years 1951, 1952 and 1953, and despite above-average exports the carryover on July 31st, 1954, stood at an estimated 587 million bushels. This is second only to the Canadian record of 594 million bushels carried over in 1943.

During 1952-53 European countries harvested large crops, reducing their import requirements. In addition, many countries, including the United Kingdom, released for domestic use large quantities of wheat which had been stockpiled as emergency reserves during the Korean war.

Despite these restrictive influences, the Canadian Wheat Board achieved exports of 255 million bushels of wheat, equalling the average for the past 30 years.

Canada in 1953-54 maintained her traditional share of the wheat export market, when compared with United States, Australia and Argentina, the other major exporters. Canada's share of the trade amounted to 40 per cent of the total, and while this is down slightly from the previous year, it shows an increase from the 37 per cent average which she exported during the immediate pre-war period.

The 1954 prairie wheat crop was estimated by the Dominion Bureau of Statistics in November, 1954, at 272,000,000 bushels, which is less than half last year's production, and is the smallest wheat crop for the past 10 years.

Present indications are that exports will be higher than last season. If this is true, the total demand for wheat, including domestic requirements, will probably clear sufficient elevator space so that all of this year's

deliverable crop plus most of the carryover of old wheat still on farms will be marketed before July 31st, 1955.

International Wheat Agreement

In the realm of wheat policy the fundamental aim of the Wheat Pool for many years was to see established an international agreement for the marketing of wheat.

It was a great triumph for organized farmers, therefore, when the first agreement was negotiated in 1949.

The First Agreement

In the four-year period from 1949 to 1953, this agreement accounted for wheat marketings totalling more than two billion bushels. Starting with thirty-seven importing countries this number was increased to forty-two by the final year. Four exporting countries, Canada, United States, Australia, and France took part, with guaranteed export quotas totalling about 580,000,000 bushels annually. Canada's export quota was approximately 235,000,000 bushels. The maximum price (in terms of U.S. funds) was \$1.80 per bushel, plus carrying charges under certain conditions. The minimum price for the first year was \$1.50 per bushel. This was lowered by 10 cents in each succeeding year, reaching \$1.20 per bushel by the final year of the agreement.

The Second Agreement

A new three-year International Wheat Agreement was negotiated in 1953. Forty-three importing and four exporting countries joined the pact, with guaranteed quantities of 389,372,000 bushels annually. The reduction in quantity from the first agreement, was mainly due to the fact that the United Kingdom, which had purchased 177,000,000 bushels annually under the first agreement, withdrew from the second one. The maximum price was set at \$2.05 per bushel and the minimum at \$1.55.

During 1953-54, the first year of the new Agreement, only 225,212,000 bushels, or about 58 percent of the total guaranteed quantities, were registered under its terms.

Sales prospects for the second year were somewhat brighter, however, and at the end of October, 1954, after completion of the first quarter of the crop year, 128,000,000 bushels, representing 33 per cent of the guaranteed quantities of all countries under the agreement, had been sold. This compared with sales of 18 per cent during the same period in the previous crop year. At the end of October, 1954, Canada had sold 45 per cent of her quota for the year, as compared with 20 per cent one year earlier.

Importance of Agreement



Ever since its inception, sharp criticism has been levelled at the International Wheat Agreement. This criticism has emanated largely from grain trade sources in Canada and other countries. One of the features of the agreement favored by farmers is the fact that it eliminates the day-to-day price fluctuations which occur under a speculative marketing system. It is because of this factor—the elimination of the speculative element in wheat trading—that many of the grain trade critics are opposed to the International Wheat Agreement.

Actually, the Agreement has provided an element of market stability in the world economy which has never been experienced before. The Agreement does not restrict trade in any way. There are no compulsory features or fixed prices, except at the floor or ceiling. During the past year there have been reports that the Agreement was not operating satisfactorily because the total guaranteed quantities were not purchased by importing countries. These reports are without foundation. The Agreement operated exactly as would be expected during a period of reduced wheat trading. There is no compulsion on an importing country to take its full guaranteed quantity except if requested to do so by the exporters, at the floor price. On the other hand there is

no requirement that an exporter need deliver all its guaranteed quantity, except if the price is at the ceiling, and the importers demand it.

During the 1953-54 season, the price remained midway between the floor and the ceiling for most of the year.

Because Agreement sales dropped during the 1953-54 season, its value and importance to international wheat trade has been questioned on the basis of the year's results. **Although the Agreement appeared to operate less successfully than in previous years, it is quite possible that 1953-54 has been the most successful year of all.** During this period the agreement had an important stabilizing influence on world wheat prices. There is ample evidence, that without the general price and supply pattern established under the Agreement, political and economic pressures in certain countries where large surpluses existed might have influenced these countries to unload surplus stocks of wheat, causing a price stampede which would have wrecked the international wheat trade and brought disaster to western Canadian farmers.

Domestic Price for Wheat

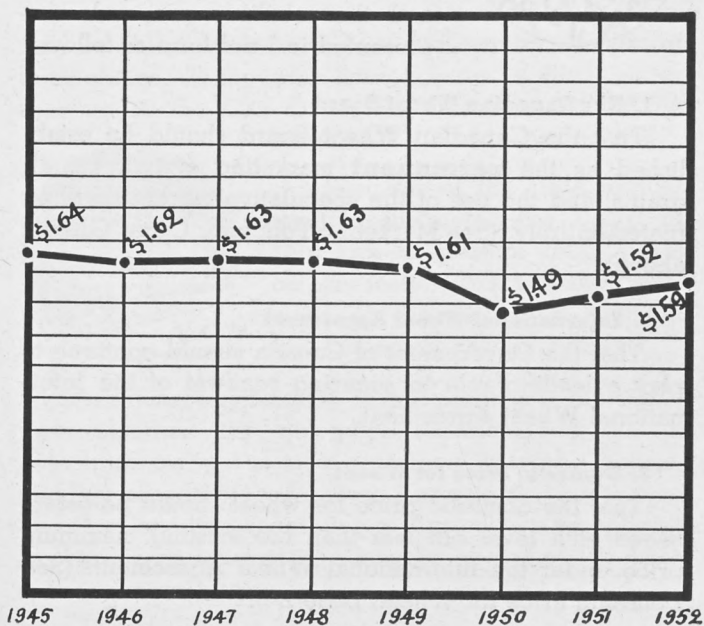
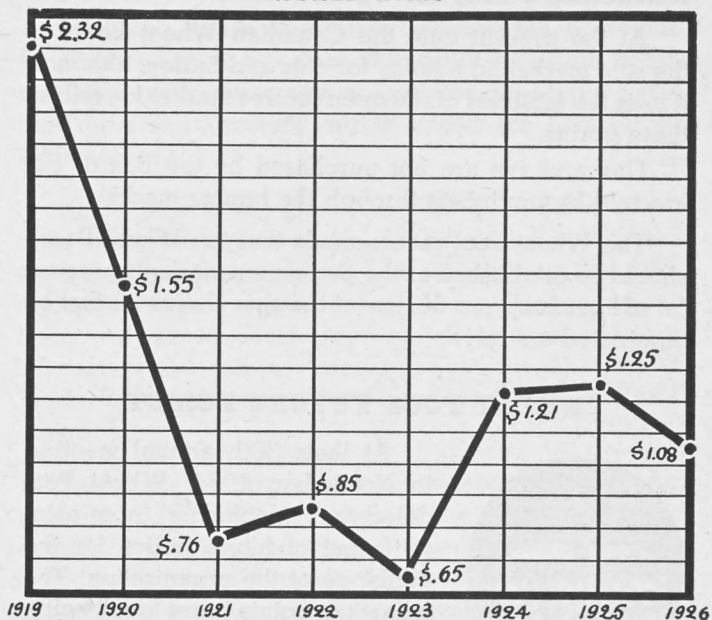
It is recognized that sales of export wheat must be made on the basis of international market conditions, using all the facilities of the Canadian Wheat Board to obtain the best possible sales volume and prices.

The Wheat Pool firmly believes, however, that wheat for domestic consumption should be sold at prices consistent with the general level of the Canadian economy.

In the statement of Wheat Pool future policy approved at the 1954 annual meeting of delegates, the organization urged the Government of Canada to establish the domestic price for wheat at a level not less than the ceiling of the International Wheat Agreement (\$2.05 per bushel).

The present policy is to sell domestic wheat at the prevailing price in the export sales market.

AVERAGE WHEAT PRICES RECEIVED BY SASKATCHEWAN FARMERS FOLLOWING TWO WORLD WARS



Marketing Policy for Other Grains

At the present time the Canadian Wheat Board is the sole marketing agency for oats and barley, although it uses the facilities of the open futures market for selling these grains.

Flax and rye are not purchased by the Board, but are sold by producers through the futures market.

The Wheat Pool recommends that the Wheat Board should be established as the permanent marketing system for **all grains**, and the use of the speculative market be eliminated entirely.

WHEAT POOL FUTURE POLICY



At their 30th annual meeting in November, 1954, Wheat Pool delegates adopted a nine-point statement of future policy for the guidance of the organization. The following points were dealt with, and the resulting proposals are presented in brief form as follows:

1. The Canadian Wheat Board

That the Canadian Wheat Board should be established as the **permanent** marketing system for all grains, and the use of the speculative market be eliminated entirely. (See Marketing Policy for Other Grains, above).

2. International Wheat Agreement

That the Government of Canada should continue to play a leading role in securing renewal of the International Wheat Agreement.

3. Domestic Price for Wheat

That the domestic price for wheat should be established at a level not less than the existing maximum price under the International Wheat Agreement. (See Domestic Price for Wheat, page 24).

4. Box Car Distribution

That the Canada Grain Act be amended to provide for distribution of box cars at country elevators in accordance with the growers' preference, at the same time retaining growers' rights under the Car Order Book sections.

Note—During the past year, the Pools have given close study to the pattern of box car distribution between elevators, and have objected strenuously to the principle of "one car – one elevator". These objections have been voiced to local representatives and western officials of the railway companies, to the Minister of Trade and Commerce, the Transport Controller, and others.

The Pools believe that transportation facilities for grain should be allocated on the same basis as for other commodities. They believe that amendments should be introduced to the Canada Grain Act, providing for allocation of box cars at country elevators in accordance with the farmers' preference to the end that farmers may be able to deliver grain to the country elevator of their choice. At the same time, farmers' rights to order cars under the Car Order Book sections should be retained.



Delegates at the 1954 annual meeting instructed the Board of Directors to present their views on this matter direct to the presidents of the Canadian National and Canadian Pacific railways.

If a satisfactory solution to this problem is not otherwise obtained the delegates recommended that a delegation be sent to meet with the Canadian Cabinet, and that support of the Western Agricultural Conference and the Canadian Federation of Agriculture be enlisted in obtaining a satisfactory allocation of cars on the basis of the farmers' choice.

5. Delivery Quotas

That acreage quota deliveries be maintained throughout the delivery season.

6. Support Prices

That adequate support prices be provided through increased use of the Agricultural Prices Support Act; that support levels be announced sufficiently far in advance to allow farmers to adjust their production plans; and that the expansion and development of markets for agricultural products, rather than restriction of production, be promoted as part of the agricultural price support program.

Note—Along with other farm organizations the Saskatchewan Wheat Pool has taken an active part in promoting the development of price support legislation. Today, it is recognized in practically every country of the world that agricultural price supports are necessary to maintain a healthy economy. It must be clearly recognized, also, that agricultural price support legislation in Canada is of importance and value to the general economy, as well as to farmers.

Although the protection provided by the Agricultural Prices Support Act and its great value in past emergency situations is fully recognized the Wheat Pool is not satisfied that it has always been used to the best advantage. The results too often fall short of the ideal. Stable prices for agriculture can best be achieved through the establishment of support prices where they do not already exist. To be effective, the supports must be sufficiently high to meet costs of production on an average economic unit, and must be reviewed frequently to meet changing conditions.

7. Board of Livestock Commissioners

That a Board of Livestock Commissioners should be appointed to administer the Livestock and Livestock Products Act and to regulate trade practices where necessary.

Delegates also approved the principle of compulsory grading of hogs, but proposed that the producer should

have the right to choose between rail and live grading, and that quality grades should be carried through to the consumer.

8. Crop Insurance

That in the development of a crop insurance scheme the cost should be borne jointly by the federal and provincial governments and by producers.

9. Farm Financing

That the Wheat Pool take an active part in finding a solution for the growing problem of farm financing; involving both the need for short-term credit, and a system of long-term credit designed to meet present day farming needs.

Note—The question of farm finance as it applies to Saskatchewan has been given close consideration by the Wheat Pool during the past year. Recommendations regarding certain phases of the problem have been made to the government of Canada.

At the 1954 annual meeting, Wheat Pool delegates proposed a full-scale conference of farm organizations and governments to consider farm financing.

The organization had already joined with other groups through the Canadian Federation of Agriculture in establishing a special committee to study the problem in western Canada.

In many areas there is an emergency situation—involving the need for immediate assistance to finance seed and seeding operations for the 1955 crop season.

There is also urgent need for assistance in the field of long-term credit which will provide a practical means of enabling young farmers to establish themselves as successful producers on economic farm units.

Recognizing that changes in the system of farm financing have not kept pace with technological advances and other developments during the past 20 years, the Saskatchewan Wheat Pool is taking its part in helping to find the adjustments necessary for present day farming on an economic basis.

OTHER FARM ISSUES THE WHEAT POOL VIEWPOINT

Livestock Marketing Board



The Wheat Pool favors the establishment of a national livestock marketing board as a means of creating stability in the industry.

This matter was discussed at length by delegates attending the 30th annual meeting in November, 1954, and it was considered that several preliminary requirements were essential before a completely satisfactory board can be established. These are:

(1) Passage of natural products marketing legislation in Alberta and Quebec. This would be necessary for the operation of a national livestock plan.

(2) Assurance of adequate government support prices on livestock.

(3) The creation of a Board of Livestock Commissioners, with power to license processing plants, and supervise grading systems and livestock yards.

As an initial step in achieving a national livestock marketing board, Pool delegates recommended that the whole question should be studied with a view to determining whether a practical plan could be made operative after at least one other western province had a similar plan ready for joint operation.

Canada Grain Act

The Canada Grain Act was passed in 1912, and was completely rewritten in 1930. Revisions in the original act were obtained in many cases only through the determination and efforts of the Saskatchewan Wheat Pool and its members. Some of the improvements obtained include a re-classification of grain grades,

curtailment of mixing in terminal elevators, raising out-turn and export standard grades, improvement in handling special bin grains, greater protection for the shipper in obtaining re-inspections or making appeals, and many other changes.



Today, through their own efforts western farmers enjoy rights and protections under the act which effectively eliminate the unfair practices of the early years of the grain trade.

Some parts of the Act are now becoming obsolete, however, and fail to meet the requirements of present-day conditions. In particular, the sections dealing with box car allocation have been subject to severe criticism.

The Wheat Pools are giving consideration to the revisions necessary in these sections, and will continue to propose amendments to the Act whenever changes are required in the interests of grain producers.

Freight Rates

Transportation charges represent one of the major cost items in the western farm economy. Isolated from cheap water routes the western farmer suffers high rail charges both in the shipment of his primary products to market, and in obtaining manufactured goods. Since 1946, general railway freight rates in western Canada have almost doubled, despite the active opposition of the Wheat Pool and other farm organizations. The Wheat Pool has submitted its objections to increased freight charges in every major hearing held on this subject. Some recognition has been obtained of the fact that railway rates should be established at levels fair to all segments of the economy and in all regions of the country.

Equalization of Western and Eastern freight rates is now being carried out under the Railway Act. Just

how much improvement will result cannot yet be determined.

The Wheat Pool will continue to maintain an active interest in this problem, and will do everything possible to prevent further increases in western freight costs.

In particular, it will actively oppose any attempt to alter the level of the statutory Crows' Nest grain rates, or have their control removed from the jurisdiction of the parliament of Canada.

Soil and Water Conservation

Proper utilization and protection of soil and water resources is the first duty of every citizen. Soil fertility must be maintained for our future benefit and the welfare of generations to follow.

Much valuable work has been done by both provincial and federal governments through regrassing, irrigation, drainage, community pasture and forage projects.

The Wheat Pool believes that this work should be continued and intensified, with greater co-ordination and integration of the work of the federal and provincial government programs.

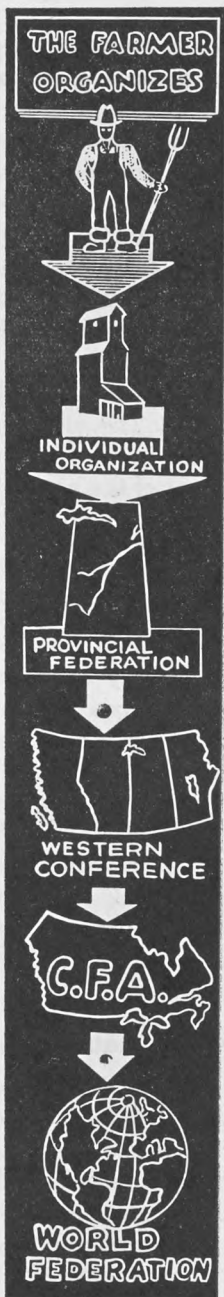
FARMER UNITY

The greatest strength of the farm movement in Canada today probably lies in the fact that it presents a united front stretching from the Maritimes to British Columbia. This is accomplished through the Canadian Federation of Agriculture, which is composed of provincial and regional federations of farmer organizations, many of them co-operatives. The C.F.A. grew to maturity during the years of the war, and now occupies a recognized place as the representative of organized farmers throughout Canada.

Through its Ottawa headquarters and working with the farm organizations most directly concerned, the C.F.A. constantly presents the viewpoint of Canadian

farmers on all matters affecting Canadian agriculture. The Wheat Pool has from the first played a leading part in the formation and development of the C.F.A. It believes that an agricultural policy that is worth while must be a Canadian agricultural policy.

Looking beyond the boundaries of Canada we find that the Canadian Federation is a member of the I.F.A.P.—the International Federation of Agricultural Producers. Farmer (not government) representatives of twenty-seven countries are members of this organization, which was formed in 1946 and finally set up on a permanent basis in 1947. The I.F.A.P. will not only show that the farmers of the world understand their basic community of interests, but it will translate that unity into definite policies and recommendations. One immediate task is to give support, assistance and guidance to F.A.O.—the Food and Agriculture Organization of the United Nations. I.F.A.P. has been a strong supporter of international commodity agreements, in particular the International Wheat Agreement. It favors a policy of full agricultural production, with corresponding international co-operation to bring about expanded markets. It favors reduction of trade barriers and is now giving study to ways and means of distributing food surpluses to needy areas.



A word about F.A.O. is also essential. This world organization, established by governments, is dedicated to the betterment of the world's food supply and the improvement of the farmer's lot. It has no other powers than advisory ones. Its interests are in the fields of nutrition, food production and distribution. It provides the machinery necessary for a world-wide attack on the problems of food and agriculture, but the machinery is no good without the will to set it in effective operation. One task of the I.F.A.P. is to show the governments of the twenty-seven member countries that farmers, at least, are united behind the attempt to make F.A.O. work. The signing of an International Wheat Agreement was a great step forward toward the accomplishment of the aims of F.A.O., and one which F.A.O. itself strongly advocates.

SPECIAL SERVICES

WHEAT POOL MEMBERS have used their organization in a number of ways to supply themselves with necessary services of several kinds. It is one of the advantages of any co-operative organization that it provides a ready means for this kind of self help. Some of the Wheat Pool services are listed below.

Weekly Crop Reports

As a service to its members the Pool organized a statistical department and inaugurated a system of comprehensive weekly crop reports. These reports are now considered the most authoritative that are being issued.

Germination Tests

The Pool renders great service by maintaining facilities for making germination tests. Since this service was inaugurated, to July 31, 1954, about 470,000 germination tests have been conducted; many samples have been checked for grade and dockage and many more were prepared and distributed among school children. Since August, 1929, when this work was first started,

to July 31, 1954, there have been approximately 87,000 individual moisture tests made in the Pool laboratory.

Smut Testing

Members may have the grain which they intend to use or sell for seed tested for smut and other seed borne diseases. This free service may be obtained by taking a sample of grain to the nearest Pool elevator agent. Tests are made by Associated Laboratory Services Limited, Saskatoon.

Variety Testing Program

The Pool each year conducts a scientific province-wide program of variety testing which contributes to the development of suitable varieties of wheat and other grains. This annual project is made possible by the co-operation of young men and women who plant and care for individual tests on their farms. The results of these tests are a valuable and regularly used source of information on the performance of new grain varieties.

Aids Junior Extension Work

Among the most successful of Pool projects has been the development, in co-operation with the Extension Department of the University of Saskatchewan, of Junior Grain, Calf and Swine Clubs and Home Craft Clubs (4-H Clubs). These clubs foster in young people a greater appreciation of farm and home life.

An increasing number of 4-H Clubs are being sponsored each year by local Wheat Pool committees. This number reached an all-time high of 203 clubs in 1954. In addition to this valuable community leadership, the Pool annually provides a grant of \$10,000 to the Extension Department for assistance in promoting Junior activities.

Library Service

A comprehensive lending library is maintained at Head Office for members and staff of the Saskatchewan Wheat Pool. This is a useful service and one which is much used and appreciated.

Wheat Pool Bursaries

Wheat Pool bursaries of \$150 each are provided on the basis of one to each Wheat Pool district for students attending the school of agriculture at the University of Saskatchewan. The bursaries go to first year students, and may be renewed for the second year. Under this plan, bursaries were awarded to 23 students for the 1954-55 school year.

A FEW WHEAT POOL ACHIEVEMENTS AND SERVICES

1. Probably the greatest achievement of the Saskatchewan Wheat Pool has been its outstanding success over the past 30 years, in presenting the opinions of its 100,000 members and securing farm policy improvements for the betterment of living standards in Saskatchewan farm homes.

2. Successful operation of co-operative grain and livestock handling facilities available to farmers in every part of Saskatchewan.

3. Operation, in the interests of producers, of a modern flour mill and vegetable oil plant.

4. Publication of the Western Producer, the fully independent farm weekly—a vital service to the farm community.

5. Establishment of the Canadian Wheat Board; elimination of speculation in wheat marketing; expansion of Wheat Board powers to include coarse grains marketing.

6. Promotion of the International Wheat Agreement, for stable prices and markets.

7. Instrumental in obtaining improvements in the Canada Grain Act, including reclassification of grades of grain, raising of outturn grain standards at terminals, elimination of mixing at terminal elevators, improve-

ments in inspection procedures, improvement of Car Order Book regulations, and many others.

8. Improving services to members in such ways as establishing the automatic sampler at terminal elevators and establishing an inspection department at Winnipeg for the protection of the grower.

9. Provision of important services to members, such as seed germination testing, smut testing, and a 3,000-book lending library.

10. Publication of an accurate report on the Saskatchewan crop each week during the growing season.

11. Assisting in the successful formation and growth of the Canadian Federation of Agriculture, and the International Federation of Agricultural Producers.

12. Contributing to the drafting of provincial and federal debt legislation during the depression.

13. Support of the Churchill route both before and since its construction.

14. Presentation of the views of farm people before a large number of Royal Commissions and investigations; opposing attempts to have income tax applied to co-operative savings; opposing freight rate increases.

15. Contributing financially, and otherwise, in the development of new co-operative enterprise; providing co-operative education through publications, co-operative schools, citizenship days.

16. Young people's work, including sponsorship of 4-H clubs and grants to the University of Saskatchewan for extension, junior variety testing programs, oratorical contests; providing leadership for a wide variety of community enterprises and public appeals.

APPENDIX I
SASKATCHEWAN WHEAT POOL
Country Elevator Division

Schedule of Handling Charges—1925-1926 to 1954-1955

		WHEAT		O.	B.	F.	R.
		H.G.	L.G.				
Season		c	c	c	c	c	c
1925-1926.....	Pool	4	5	—	—	—	—
1926-1927.....	Pool	5	5	4	5	10	5
1927-1928.....	Pool	4	4	3	4	10	4
1928-1929.....	Pool	4	4	3	4	10	4
1929-1930.....	Pool	4	4	3	4	10	4
1930-1931.....	Pool	5	6	3	4½	10	4
1931-1932.....	O.M.	4	4	3½	4	7	4
1932-1933.....	O.M.	4	4	3½	4	7	4
1933-1934.....	O.M.	4	4	3½	4	7	4
1934-1935.....	O.M.	4	4	3½	4	8	4
1935-1936.....	W.B.	4½	5½	—	—	—	—
	O.M.	4	4	3½	4	8	4
1936-1937.....	O.M.	4	4	3½	4	8	4
1937-1938.....	O.M.	5½	5½	4½	5½	8	5½
1938-1939.....	W.B.	4½	5½	—	—	—	—
	O.M.	5	5	4	5	8	5
1939-1940.....	W.B.	4½	5½	—	—	—	—
	O.M.	5	5	4	5	8	5
1940-1941.....	W.B.	4	5	—	—	—	—
	O.M.	5	5	4	5	8	5
1941-1942.....	W.B.	4	5	—	—	8½	—
	O.M.	5	5	4	5	9	5
1942-1943.....	W.B.	3	3	—	—	8½	—
	O.M.	—	—	2½	3	—	3
1943-1944.....	W.B.	3	3	—	—	7½	—
	O.M.	—	—	2½	3	—	3
1944-1945.....	W.B.	1	1	—	—	3	—
	O.M.	—	—	1	1½	—	5
1945-1946.....	W.B.	3	3	—	—	5	—
	O.M.	—	—	3	3½	—	5
1946-1947.....	W.B.	3	3	—	—	5	—
	O.M.	—	—	4	4½	—	5
1947-1948.....	W.B.	3½	3½	—	—	8	—
	O.M.	—	—	5	6	—	5
1948-1949.....	W.B.	4½	4½	—	—	—	—
	O.M.	—	—	4½	5½	9	5½
1949-1950.....	W.B.	4½	4½	3½	4½	8	—
	O.M.	—	—	—	—	10	5½
1950-1951 to							
1954-1955.....	W.B.	4½	4½	3½	4½	—	—
	O.M.	—	—	—	—	10	5½

Note: W.B. —Wheat Board
O.M. —Open Market
H.G. —High grades 1, 2 and 3 Nor.
L.G. —Low Grades

O. —Oats
B. —Barley
F. —Flax
R. —Rye

APPENDIX II

Distribution of Excess Charges Refunds to Members from 1925

Delivered Through	Delivered Over	Total Refund	Retained for
Pool Elevators	Platform		Purchase of
1925-26.....2c Wheat; 1c C. G.	1½c Wheat; ½c C. G.	1939-40..½c All Grains	Deductions
1926-27.....1¾c All Grain	1c All Grain	1c All Grains	¼c All Grains
1927-28.....1½c All Grain	1c All Grain	1c Wheat	1c All Grains
1928-29.....¾c All Grain	½c All Grain	1c Wheat	1c Wheat
		¾c Flax	¾c Flax
		1c O. B. & Rye	1½c O. B. & Rye
		1942-43..2c Wheat & Flax	1½c Wheat & Flax
		1½c O. B. & Rye	1c O. B. & Rye
		1943-44..4.62c Wheat & Flax	4.12c Wheat & Flax
		4.12c O. B. & Rye	3.62c O. B. & Rye
		1944-45..1½c Wheat & Flax	¾c Wheat & Flax
		1c O. B. & Rye	1½c O. B. & Rye
		1945-46..1.66c All Grains	1.66c All Grains
		1946-47..0.55c All Grains	0.55c All Grains
		1948-49..½c All Grains	½c All Grains
		1949-50..1¾c All Grains	1¾c All Grains
		1950-51..2¾c All Grains	1c All Grains
		(¾c retained by company)	
		1951-52..3¼c All Grains	¾c All Grains
		(1½c retained by company)	
		1952-53..3c All Grains	¾c All Grains
		(1¼c retained by company)	
		1953-54..2 7/16c All Grains	1¼c All Grains
		(3/16c retained by company)	
			Cash Refund
			¼c All Grains
			1c All Grains
			1c Wheat
			¾c Flax
			1½c O. B. & Rye
			1½c Wheat & Flax
			1c O. B. & Rye
			4.12c Wheat & Flax
			3.62c O. B. & Rye
			¾c Wheat & Flax
			1½c O. B. & Rye
			1c All Grains
			1c All Grains
			1c All Grains
			1c All Grains



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